

FISCAL NOTE

SB 151 - HB 479

February 5, 2001

SUMMARY OF BILL:

1. Requires that all newborn infants be screened for hearing loss before leaving the hospital. All infants born outside of a hospital setting are to be tested by the Department of Health.
2. Requires specific testing methodologies. The facility conducting the test shall refer any child who may have a hearing loss to the health care professional attending the delivery of the child, the child's pediatrician or to the Tennessee Early Intervention Program of the Department of Education for follow-up.
3. Mandates coverage of the test by individual and group health insurance policies and health maintenance organizations, but specifically excludes plans regulated under ERISA.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$300,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Other Fiscal Impact:

Increase Federal Expenditures - Exceeds \$300,000/TennCare

Increase Expenditures - Exceeds \$100,000/Health Industry**

Estimate assumes:

- capitation rates paid to TennCare managed care organizations will be increased to cover the expense of annually testing an estimated 17,000 infants.
- the Department of Health would pay for testing of approximately 87 infants annually who are not born in a hospital and either have no health insurance or have health insurance plans without coverage for hearing screening.
- the state health plan would cover approximately 600 additional tests with the additional expense for such tests.
- an increase in Department of Education because of additional referrals, but it is estimated that such expenditures can be absorbed within the existing budget.
- local government health insurance plans would experience increased costs because of the mandate to cover testing.

- increased costs to the health insurance industry. While the amount of such increase cannot be determined, it is estimated to exceed \$100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director